

As regards your inquiry whether it is considered probable that the Panama Railroad Company would be inclined, on proper representation, to reduce the charges now made by them for the conveyance of mails across the Isthmus, I have to inform you that any attempt to obtain a reduction of those charges would, in the opinion of the Postmaster-General, be quite hopeless under present circumstances.

The Postmaster-General, &c., Wellington.

I am, &c.,

F. HILL.

No. 17.

Copy of a Letter from Mr. F. HILL to the Hon. JOHN HALL.

SIR,—

General Post Office, London, 31st January, 1867.

I am directed by the Postmaster-General to inform you that his attention has been drawn to the great length of time that is unavoidably occupied in this office in preparing mails for despatch to New Zealand and Australia *via* Panama, owing to the necessity, under the existing arrangement, of marking and counting upon each individual letter, newspaper, and book packet, the Imperial and Colonial shares of the postage. In addition to the time consumed in marking these sums upon the correspondence transmitted, the total amount due to each office has to be subsequently ascertained and inserted in the Letter Bill; and, as great accuracy is required in this duty, the operation is necessarily tedious and causes much delay in the despatch of the mails.

A similar loss of time, involving delay in the delivery of the correspondence, takes place on the arrival of mails from New Zealand and Australia *via* Panama, when it becomes necessary to check the amounts placed to the credit of this Department.

The Postmaster-General has little doubt that the trouble and delay referred to are felt with equal force by your office, and he hopes that you will co-operate with him in the endeavour to apply a remedy to this inconvenience. With this object, I am directed by His Grace to propose that, instead of accounting by piece, as at present, for the postage due to the Colony, or to the Imperial Post Office, as the case may be, upon the correspondence contained in the mails exchanged with this country by way of Panama, each office shall in future receive, as its share of the postage, a fixed sum per ounce for paid letters (except those sent in transit through the United Kingdom) either to or from the Colony, according to the weight in bulk of the letters comprised in the mail, and a fixed sum per pound for books and patterns, the Colonial Post Office receiving a fixed sum per pound in respect of the postage which will have to be accounted for hereafter by this office as the share of the postage due to it on newspapers.

In such case, it would simply be necessary, on the arrival or despatch of a mail, to check the weight of the correspondence received or transmitted, leaving the amount of postage due to each office upon the total number of ounces of letters or pounds of newspapers, &c., to be subsequently calculated and brought to account.

In suggesting this modification of the existing practice, I am desired to observe that such an arrangement has, for some time past, been in operation between this Department and several British Colonies, and that it has been found highly successful and convenient.

With regard to the terms upon which, in the event of this proposal meeting with your concurrence, the exchange of the correspondence between the United Kingdom and New Zealand should in future take place, the Postmaster-General desires me to state that, as soon as the necessary accounts can be taken, an estimate will be framed by the Receiver and Accountant-General of this Department of the rate at which the Imperial and Colonial Post Offices shall respectively account to each other under the suggested arrangement.

I am to add that the inconvenience of the plan of bringing the correspondence contained in the mails for New Zealand, &c., to account by piece is felt to be so great—the despatch of those mails taking place simultaneously with the heavy mails for the West Indies and the Pacific—that the Postmaster-General has given orders that the mails about to be despatched shall be made up on the plan proposed, the correspondence being brought to account in the Letter Bill by weight in bulk. A specimen of the Letter Bill which will in future be used by this office is enclosed.

The Postmaster-General, &c.,
Wellington.

I have, &c.,

F. HILL.

No. 18.

Copy of a Letter from the Hon. JOHN HALL to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 12th April, 1867.

I have the honor to acknowledge the receipt of your letter No. 93s. of the 31st January last, proposing certain arrangements with a view to lessen the time occupied in preparing mails for despatch to and from New Zealand and Australia *via* Panama, and to inform you that I entirely agree in the desirability of adopting the course suggested by you, and have given the necessary instructions accordingly.

I have, &c.,

JOHN HALL,
Postmaster-General.

The Secretary, General Post Office, London.

No. 19.

Copy of a Letter from Mr. G. ELIOTT ELIOTT to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 5th March, 1867.

The Mail Agent on board the s.s. "Rakaia," which arrived at this place from Panama on the 24th ultimo, reports as follows:—